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BEFORE THE ARIZONA CORPORATION

Arizona Corporation Commission

DOCKETED

AUG 21 2014

COMMISSIONERS

BOB STUMP - Chairman

GARY PIERCE

BRENDA BURNS

BOB BURNS

SUSAN BITTER SMITH

DOCKETED BY

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IN THE MATTER OF THE APPLICATION
OF ARIZONA PUBLIC SERVICE
COMPANY'S APPLICATION FOR
APPROVAL OF NET METERING COST
SHIFT SOLUTION

DOCKET NO. E-01345A-12-0224

ORDER MODIFYING DECISION NO. 74406

DECISION NO. 74703ORDER

Open Meeting
August 12, 2014
Phoenix, Arizona

BY THE COMMISSION:**FINDINGS OF FACT**

1. On March 19, 2014, the Arizona Corporation Commission ("Commission") issued Decision No. 74406 approving a Demand Side Management ("DSM") Implementation Plan for 2013 for Arizona Public Service Company ("APS" or "Company").

2. In addition to approving various DSM programs, Decision No. 74406 also required Commission Utilities Division Staff ("Staff") to re-calculate the cost effectiveness of all of APS's DSM and Energy Efficiency ("EE") plan measures, review and calculate the cost-effectiveness of any new DSM/EE measures and file a report and recommendations by September 19, 2014.

3. During the Open Meeting held on August 12, 2014, the Commission considered modifying Decision No. 74406 to also require the Company to provide certain information (included in spreadsheet format) to assist with Staff's evaluation of the Company's DSM/EE measures as part of Staff's review of the Company's next Implementation Plan filing.

4. After considering this matter, the Commission voted to modify Decision No. 74406 to require the Company to provide specified information to Staff to aid in its evaluation of APS's next DSM Implementation Plan filing.

CONCLUSIONS OF LAW

1. The Commission has jurisdiction over Arizona Public Service Company and over the subject matter herein pursuant to Article XV of the Arizona Constitution and A.R.S. §§ 40-204 and 40-252.

2. It is reasonable for the Commission to require additional information from Arizona Public Service Company to inform the Commission's evaluation of the Company's 2014 Demand Side Management Implementation Plan filing.

3. The Commission, having reviewed the matter, finds that it is in the public interest to amend Decision No. 74406 to require additional pertinent information be provided by Arizona Public Service Company in its 2014 Demand Side Management Implementation Plan filing to inform the Commission's analysis.

ORDER

IT IS THEREFORE ORDERED that Decision No. 74406 is modified to delete the ordering paragraph on Page 45 beginning at Line 3 which states:

IT IS FURTHER ORDERED that Staff shall re-calculate the cost effectiveness of all Arizona Public Service Company's DSM/EE Plan's measures, review and calculate the cost-effectiveness of any new DSM/EE measures and file a report and recommendations by September 19, 2014. Interested parties and stakeholders shall file any comments on the Staff report and recommendations within thirty (30) days of Staff filing its report and recommendations.

IT IS FURTHER ORDERED that Decision No. 74406 is further modified to add the following ordering paragraphs:

IT IS FURTHER ORDERED that Arizona Public Service Company shall provide to Staff, as part of its next DSM/EE Plan filing, its spreadsheet (with formulae intact) containing the calculations of the projected ratios for each measure included in that plan, based on actual data from the previous calendar year. The spreadsheet shall include, for each measure, the demand (kW) savings, energy (kWh) savings, incremental cost, program cost, participation rate, avoided costs, annual kWh savings, and societal benefits and costs.

IT IS FURTHER ORDERED that Staff shall review the cost effectiveness of all of the measures included as part of the next DSM/EE Plan to be filed by Arizona Public Service Company. Staff shall not be required to review the cost effectiveness of those measures which Arizona Public Service Company has determined not to be cost effective and those measures Arizona Public Service Company requests to discontinue or suspend.

IT IS FURTHER ORDERED that beginning with its DSM Annual Progress Report due March 1, 2015, Arizona Public Service Company shall provide its spreadsheet (with formulae intact) containing the calculations of the actual ratios for each measure to Staff for the previous calendar year. The spreadsheet shall include, for each measure, the demand (kW) savings, energy (kWh) savings, incremental cost, program cost, participation rate, avoided costs, annual kWh savings, and societal benefits and costs.

IT IS FURTHER ORDERED that all other aspects of Decision No. 74406 shall remain in effect.

IT IS FURTHER ORDERED that this Decision shall become effective immediately.

BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION

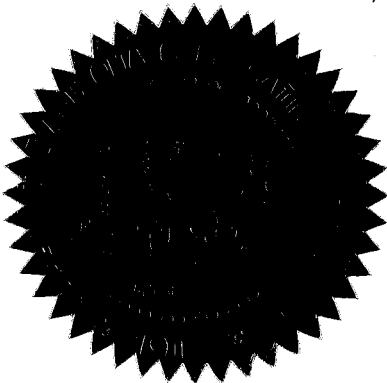
CHAIRMAN

COMMISSIONER

COMMISSIONER

COMMISSIONER

COMMISSIONER



IN WITNESS WHEREOF, I, JODI JERICH, Executive Director of the Arizona Corporation Commission, have hereunto, set my hand and caused the official seal of this Commission to be affixed at the Capitol, in the City of Phoenix, this 21st day of August, 2014.

JODI JERICH
EXECUTIVE DIRECTOR

DISSENT: _____

DISSENT: _____

1 SERVICE LIST FOR: Arizona Public Service Company
2 DOCKET NO. E-01345A-12-0224

3 Thomas L. Mumaw
4 Melissa M. Krueger
5 Pinnacle West Capital Corporation
6 400 North 5th Street, MS 8695
7 Phoenix, Arizona 85004
8 Attorneys for Arizona Public Service Company

9 Daniel W. Pozefsky
10 Chief Counsel
11 RESIDENTIAL UTILITY
12 CONSUMER OFFICE
13 1110 West Washington Street, Suite 220
14 Phoenix, Arizona 85007